



SAN BRUNO MANAGEMENT EMPLOYEES ASSOCIATION

MEMORANDUM OF UNDERSTANDING

February 1, 2001 to January 31, 2007

SAN BRUNO MANAGEMENT EMPLOYEES ASSOCIATION MOU
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SAN BRUNO MANAGEMENT EMPLOYEES ASSOCIATION

MEMORANDUM OF UNDERSTANDING

San Bruno Management Employees Association (hereinafter referred to as "bargaining unit") and representatives of City of San Bruno (hereinafter referred to as "City") have met and conferred in good faith regarding wages, hours, and other terms and conditions of employment of employees in the representation unit listed in Section 1, have exchanged freely information, opinions, and proposals, and have endeavored to reach agreement on all matters relating to the employment conditions and employer-employee relations of such employees.

This Memorandum of Understanding is entered into pursuant to the Meyers-Milias-Brown Act (Government Code Section 3500 et seq.) and has been jointly prepared by the parties.

This Memorandum of Understanding is a compilation of the previous Memorandum of Understanding with modifications as approved pursuant to Resolutions 1990-11 and 1985-18 and Resolution 1987-29, Resolution 1990-91, Resolution 2001-22 for the period commencing February 1, 2001, (unless otherwise specified as to particular sections within) and ending January 31, 2005, and now extended to January 31, 2007, as modified by contract extension for provision of 2.7% at 55 PERS Miscellaneous retirement option (Resolution 2002-55).

Section 1. Recognition

Bargaining unit is recognized as the majority representative as provided in the City's Employer-Employee Relations Resolution No. 1970-20, adopted March 23, 1970, for all employees assigned to the classifications set forth in Section 6 of this document, which is attached and made a part hereof; provided, however, that the foregoing shall be inapplicable in the event such recognition is revoked pursuant to said resolution, or in the event such recognition is revoked.

Section 2. Bargaining Unit Security

Section 2.1 Dues Deduction

(a) Bargaining unit shall have the regular dues of its members within the representation unit deducted from the employees' paychecks under procedures prescribed by the Finance Director of City for such deduction.

(b) Dues deduction shall be made only upon signed authorization from the employee, and shall continue until revoked in writing by the employee.

(c) City shall not be required to modify the amounts deducted from the employee paychecks for dues more than once in each calendar year.

(d) City shall not be required to deduct from employees' paychecks any assessments upon the members imposed in addition to dues.

Section 2.2 Advance Notice

Except in cases of emergency as provided below in this subsection, the bargaining unit, if affected, shall be given reasonable advance written notice of any ordinance, resolution, rule or regulation directly relating to matters within the scope of representation proposed to be adopted by the City and shall be given the opportunity to meet and confer with the appropriate management representatives prior to adoption.

In cases of emergency when the foregoing procedure is not practical or in the best public interest, the City may adopt or put into practice immediately such measures as are required. At the earliest practicable date thereafter, bargaining unit shall be provided with the notice described in the preceding paragraph and be given the opportunity to meet and confer with the appropriate management representatives.

Section 3. City Rights

(a) The City shall retain the full rights of management and the direction of its business and operations, except as expressly limited and set forth in writing in this Memorandum of Understanding. Wherein a subject matter is covered by the Memorandum of Understanding, the City will act in accordance with those sections.

(b) Nothing herein shall be construed to require the City to meet and confer on matters which are solely the function of management and which are not otherwise provided in this Memorandum of Understanding. The rights of the City through its Council and management include, but are not limited to, the following:

- (1) To exclusively determine the mission of its constituent departments, commissions, and boards;
- (2) To set standards of service of the various City departments;
- (3) To determine the procedures and standards of selection for promotion and employment;
- (4) To establish grooming standards;
- (5) To lay off its employees from duty because of lack of work and/or other legitimate reasons;
- (6) To maintain the efficiency of governmental operations;
- (7) To determine the methods, means, and personnel by which governmental operations are to be conducted;

- (8) To determine the content and intent of job classifications;
- (9) To determine the methods of financing of departmental operations;
- (10) To determine the style and/or types of City-issued wearing apparel, equipment, or terminology to be used;
- (11) To determine and/or change the facilities, methods, technology, means, organizational structure, and size and composition of the work force, and allocate and assign work by which City operations are to be conducted;
- (12) To determine and change the number of locations, relocations, and types of operations, processes, and materials to be used in carrying out all City functions, including, but not limited to, the right to contract for or subcontract any work of operations of the City;
- (13) To assign work to and schedule employees in accordance with requirements as determined by the City, and to establish work schedules and assignments upon reasonable notice;
- (14) To establish and modify productivity and performance standards for employees, and to require compliance therewith;
- (15) To discharge, suspend, demote, reprimand, lower salary to a lower step, withhold salary increases, or otherwise discipline employees for cause;
- (16) To take all necessary actions to carry out its mission in emergencies.

It is a major purpose of this section to maximize the flexibility of the City to conduct its day-to-day operations.

Section 4. No Discrimination

There shall be no discrimination by either the bargaining unit or City on any basis prohibited by state or federal law.

Section 5. Bargaining Unit Representative

(a) Bargaining unit representatives may receive but not solicit complaints or grievances of employees at the work location during work hours. They shall not interfere with the normal conduct of work or duties of the employees, as determined by the City Manager or Assistant City Manager.

(b) Activities such as the soliciting of membership, collection of dues, holding membership meetings, campaigning for office, conducting elections, and distributing

literature are strictly prohibited during work hours without the prior approval of the City Manager.

(c) In the event the City believes that bargaining unit representatives are abusing the provisions of this section, it shall contact the bargaining unit or its representative to arrange a mutually acceptable time and place to investigate the City's complaint and to assure full compliance by the bargaining unit representative to the extent possible.

(d) Whenever an employee is required to meet with a supervisor and the employee reasonably anticipates that such meeting will involve questioning leading to disciplinary action, the employee shall be entitled to have a bargaining unit representative present upon request. In the event the employee desires the presence of a bargaining unit representative, the City will contact the bargaining unit to arrange a mutually acceptable time to hold the meeting. Once scheduled, neither party shall be required to reschedule the meeting for the convenience of the other. This section shall not prohibit the City from taking action if, in the City's opinion, immediate action is necessary.

Section 5.1 Access to Personnel Files

An employee or an employee's representative, upon presentation of written authorization from the employee, shall have specific access to the employee's personnel file upon request and at the reasonable convenience of Human Resources. Documentation in the personnel file relating to the investigation of a possible criminal offense, medical records, background information, and information or letters of reference may be specifically excluded from the inspection and review of the employee and/or the employee's representative. The employee shall have the right to make copies of performance evaluations and warning letters, if any, upon request. Employees shall only review their personnel file in the presence of a designated employee of Human Resources.

Section 6. Salary Plan

Section 6.1 Salary Ranges

(a) City agrees to SBMEA salary request for tiered salary approach. This adjustment was based on an external market survey of historical city comparisons and then further benchmarked based upon internal equity relationships with top-step salary as follows:

Chief of Police	\$11,250
Fire Chief	\$11,250
Public Works Director	\$11,250
CATV Director	\$10,250
Community Development Director	\$10,250
Finance Director	\$10,250
Library Services Director	\$10,250

Recreation Services Director

\$10,250

The above top-step salary structures shall be effective the pay-period beginning March 12, 2001.

(b) City agrees to a 4.5% salary adjustment to positions in the unit effective first pay-period beginning after February 1, 2002.

(c) City agrees to a CPI adjustment for all positions in the unit effective first pay-period beginning after February 1, 2003, as follows: a minimum adjustment of three percent (3%), actual CPI adjustment if between 3.1% and 6%, 6% adjustment if between 6.1% and 8%, and a salary re-opener should CPI exceed 8%.

(d) Market-based salary adjustments effective first pay-period after February 1, 2004. Market survey will utilize historical comparison cities in same format as market survey process used for 2000, using salary level in effect as of January 1, 2004. The City agrees that there will be a minimum salary adjustment of 3% for all unit positions, actual market adjustments between 3% and 6%, and the City and bargaining unit agree to re-open on the issue of salary adjustment only should the market survey exceed 6%. Type of PERS retirement program provided by survey cities shall be a part of survey process.

(e) Effective first pay-period after February 1, 2005, and February 1, 2006 respectively, implement a CPI-based salary adjustment using the following formula: CPI-based adjustment of between 2.5% and 5% with a guaranteed minimum of 2.5% per year. If the CPI is between 2.5% and 5%, the rate of adjustment would be the same as the actual CPI rate. If the CPI is below 2.5%, the rate of adjustment would be 2.5%. If the CPI rate is greater than 5% and less than 7%, the adjustment would be 5%. The City would agree to meet and confer with bargaining unit on the issue of salary only should the CPI index exceed 7% (using historical CPI index).

(f) City agrees to a phased elimination of the nine-step pay plan and to maintain a five-step pay plan for all unit employees. Employees on the nine-step plan as of February 1, 2001, shall be eligible for a merit step increase to the appropriate salary step on the new five-step plan which provides for at least a five percent (5%) salary adjustment or up to the maximum salary step at the time of the employee's annual performance review date next following February 1, 2001. The City will maintain both a five and nine-step salary range structure for approximately one year during this transition period. Any employee hired on or after April 1, 2001, will be assigned to the appropriate five-step salary plan. Employees hired between February 1, 2001, and March 31, 2001, will be eligible for a merit step increase to the appropriate salary step on the new five-step plan which provides for at least a five percent (5%) salary adjustment or up to the maximum salary step after six months of service.

(g) The City utilizes the provisions of Section 414(h)(2) of the Internal Revenue Code (IRC) relating to employee-paid PERS, which provides for tax deferral of employee-paid PERS contributions.

Section 6.2 Salary Plan Administration

Each employee permanently assigned to a position covered by this Memorandum of Understanding shall be paid a salary within the range established for that position and classification.

Section 6.3 Salary Plan Administration, Original Appointment

The salary for a new employee occupying a position covered by this Memorandum of Understanding shall be the minimum salary step for the classification to which the employee is appointed. However, when warranted, the City Manager may appoint a new employee at a salary step other than the minimum step of the appropriate classification.

Section 6.4 Salary Plan Administration, Advancement Within Salary Range

No salary advancement shall be made so as to exceed the maximum rate established in the pay plan for the classification to which the advanced employee's position is allocated. Employees hired at the first step of the salary range shall be evaluated for salary advancement after the first six months of service and after additional one-year periods of service thereafter until the employee has reached the maximum rate established. Employees hired at other steps of the salary range shall be evaluated for salary advancement after the first year of service and after additional one-year periods of service thereafter until the employee has reached the maximum rate established. Advancement within the salary range shall generally be made one step at a time. However, the City Manager may, when circumstances warrant it, advance the salary of an employee more than one step at a time.

Advancements shall not be automatic, but shall depend upon increased service value of an employee to the City as exemplified by recommendations of his supervising official, length of service, performance records, special training undertaken, or other pertinent evidence.

Advancement to the next higher step within the range of the assigned classification shall be implemented only upon final approval by the City Manager.

Salary range adjustments for a classification will not set a new salary anniversary date for employees serving in that classification.

Section 6.5 Salary Plan Administration, Employee Evaluation

(a) Probationary employees shall be evaluated in writing at least every two months during the first six months of their probationary period.

(b) Probationary employees shall be evaluated in writing at least quarterly during

portions of their probationary periods beyond the initial six months.

(c) Permanent employees eligible for salary step increases shall be evaluated in writing at least once every six months.

(d) Other permanent employees shall be evaluated in writing at least once per year.

(e) If an employee evaluation is not accomplished within thirty (30) days of its due date, the performance of that employee shall be deemed to be satisfactory.

Whenever the schedule of compensation for a classification is revised, each incumbent in a position to which the revised schedule applies shall be paid at the same step in the revised range as the step at which the employee was paid in the previous range.

If an employee takes a leave of absence, the time spent away from work shall not be counted toward the completion of the next step. Depending upon how long the individual is away from work, it will move the employee's anniversary date in accordance with the rule (below) that presently determines the anniversary.

Section 6.6 Anniversary Date

The anniversary date is that date from which time is calculated for purposes of salary step advancement, the ending of the probationary period, the advancement of vacation accrual dates, and the accrual of sick leave. This date shall be the employee's actual date of hire.

Section 6.7 Salary Plan Administration, Salary Step after Promotion or Demotion

(a) Promotion. When an employee is promoted from a position in one classification to a position in a higher classification, that employee shall be entitled to receive the rate of pay of the lowest step in the salary range of the higher classification which provides at least 5% above the base salary of the employee, not including acting pay or educational incentive pay.

(b) Demotion

(1) Non-disciplinary demotion. When an employee is demoted for reasons not related to disciplinary purposes, he shall be placed at the salary step in the lower classification, which most closely approximates but does not exceed the employee's salary in the higher classification.

(2) Voluntary demotions; demotions resulting from probationary rejections. When an employee takes a voluntary demotion to a position previously held or is reappointed to such a position as the result of a probationary rejection, the employee shall be placed at the same step in the lower classification which the employee last held. The employee's service time at such step shall continue as if the promotion had not occurred.

(3) Disciplinary demotions. When an employee is demoted to a lower classification for disciplinary reasons, the specific rate of pay in the salary range of such classification to which the employee shall be entitled shall be determined by the City Manager.

Section 6.8 Acting Pay

(a) An employee assigned to perform substantially the duties of a higher job classification shall, commencing with the seventh (7th) consecutive complete calendar day from the commencement of the assignment, receive the rate of pay established for the salary step of the classification of the temporary assignment that is a minimum of five percent (5%) greater than the employee is currently earning, retroactive to the date the employee was assigned to such duties. In no event shall the rate paid exceed the top step of the assigned classification.

(b) The City Manager shall have the discretion to increase the salary of such employee to an amount not in excess of the top step of the higher classification.

(c) An employee assigned to perform such duties for six months shall be entitled to a salary which shall be not less than that of the lowest step of the higher classification, nor greater than that of the highest step of such classification, as determined by the City Manager, but in no event shall such employee be paid less than that received pursuant to subsection (a) or (b) above. Any subsequent adjustments to this rate of pay shall be at the discretion of the City Manager.

(d) When such employee is acting as City Manager for the time period required under subsection (a), but not more than 30 consecutive calendar days, employee shall be entitled to a salary increase retroactive to the date of assignment of the duties of the City Manager, which shall be 5% of the salary of employee's regular position. When such employee has been acting as City Manager for 30 or more consecutive calendar days from the commencement of the assignment, such salary increase shall be 5% of the salary of employee's regular position or \$600 per month, whichever is greater.

Section 6.9 Salary Pay Periods

Employees shall be paid bi-weekly.

Section 6.10 City Contribution to Deferred Compensation

City agrees to a one percent (1%) of annual salary, City-paid deferred compensation contribution. One percent (1%) matching City-paid contribution is on a bi-weekly pay-period basis. Employees must have a deferred compensation account and contribute at least one percent (1%) of their salary on a bi-weekly basis to receive this benefit. There shall be no retroactivity or lump-sum balance payments with this program benefit.

Section 6.11 Special Circumstances Pay

An employee specifically assigned by the City Manager through use of the personnel action form process on a temporary or longer-term basis to regularly perform work outside of the scope of his/her permanent classification but not performing substantially the duties of another job classification may receive Special Circumstances Pay at the exclusive discretion of the City Manager. The City Manager may assign a rate of pay between 3.5% and 10% depending on the nature of the circumstances and organizational need. The determination as to the rate of pay made by the City Manager is final.

Section 6.12 Bilingual Incentive Pay

(a) Employees who are capable of using American Sign Language, or a foreign language designated by Human Resources as critical for public service in San Bruno, in business dealings with the public shall be eligible for incentive pay at a rate of 2.5% of base salary.

(b) To receive bilingual incentive pay, an employee must successfully complete a testing process.

(c) Incentive pay eligibility will begin when the City has concluded contracts with all bargaining units in active negotiation as of February 1, 2001.

Section 7. Appointments

Section 7.1 Sources of Appointments to Fill Vacancies

(a) Whenever the City Manager determines that a vacancy in this bargaining unit is to be filled, it shall be filled by re-employment, transfer, demotion, or from eligible applicants certified from an appropriate employment or promotional list, if available.

Only open competitive examinations shall be administered for the following positions:

1. Chief of Police
2. Public Works Director
3. Fire Chief
4. Recreation Services Director
5. Community Development Director
6. Library Services Director
7. Finance Director
8. Cable Television Director

Section 7.2 Nepotism

(a) No person shall be appointed to a position in this bargaining unit, if a member of the immediate family of such person is employed within the same department to which such position is assigned if the City Manager determines, within his/her sole discretion, that a) (1) for business reasons of supervision, safety, security, or morale, it would be inappropriate to place one such person under the direct supervision of the other; and (2) the appointment cannot be made without one employee being under the supervision of the other; or b) the placement of both persons in the department involves potential conflicts of interest greater for persons so related than for non-related persons, and that such conflicts cannot be resolved by control of duty assignments.

(b) If such appointment is made, the employees involved shall be assigned, if possible, so that one is not under the direct supervision of the other, or employed to work in conjunction with the other under ordinary circumstances.

(c) If, due to marriage or otherwise, persons employed in the same department become members of an immediate family, the City Manager shall, to the extent possible, assign such persons to duties in such manner that neither is under the direct supervision of the other, and neither is assigned to work in conjunction with the other under ordinary circumstances.

(d) For purposes of this section, "immediate family" includes father, mother, brother, sister, spouse, child, mother-in-law, father-in-law, grandparents, grandchildren, great-grandparents, great-grandchildren, stepchildren, foster children, stepparents.

(e) Prior to making any determination pursuant to subsection (a), or any assignment pursuant to subsection (c), the City Manager shall consult with the bargaining unit.

Section 8. Probation Period

Section 8.1 Length of Probationary Period

All regular and promotional appointments to the classifications of this bargaining unit shall be tentative and subject to a probationary period of one year from the date of probationary appointment or promotion.

Reinstatements may be subject to an optional probationary period. This option can be exercised by the City Manager when he/she deems it necessary. This optional probationary period can last up to but never exceed one year. Reemployment employees shall be required to fulfill any remaining part of a probationary period that was in progress at the time the individual was placed on the reemployment list.

Section 8.2 Objective of Probationary Period

The probationary period shall be regarded as a part of the testing process and shall be

utilized for close observation of the employee's work, for securing the most effective adjustment of a new employee to his/her position, and for rejecting any probationary employee whose performance does not meet the required standards of work.

Section 8.3 Appointment or Rejection of Probationer

(a) During the probationary period, an employee may be rejected at any time by the City Manager without cause, without hearing and without the right of appeal.

(b) Prior to the scheduled termination of the probationary period, the City Manager shall notify the probationer in writing as to whether the service of the probationer has been satisfactory and his/her retention in City employment is desired. If the City Manager notifies the probationer that the performance of the latter has been satisfactory, the City Manager shall appoint the probationer to his/her position on a regular basis, effective upon the completion of the probationary period. If the City Manager notifies the probationer that the performance of the latter has not been satisfactory, the employment of the employee shall be terminated upon such notice, or the City Manager may extend the probationary period for a specific period of time to allow for further observation and evaluation. If the probationary period is extended, the salary step increase for the employee may be deferred for the period of time of the extension.

(c) Whenever the City Manager rejects a probationer, the written notice of rejection shall advise the probationer as follows:

(1) That if the probationer believes he/she has been rejected because of allegations of misconduct which have been publicly disclosed under such circumstances that the good name, reputation, honor, or integrity of the probationer has been stigmatized, the probationer has the right to a hearing to provide him/her an opportunity to clear his/her name; and

(2) That if the probationer believes he/she has been rejected on account of race, color, ancestry, national origin, religion, sex, marital status, physical handicap, participation in the activities of a labor organization, or the exercise of any right guaranteed to the probationer by statute or constitution, the probationer is entitled to a hearing to determine whether such rejection was, in fact, effectuated upon such invalid basis.

The notice shall advise the probationer that the latter may request such hearing by transmitting to the City Manager in writing not later than 15 days from the date of the notice a request for a hearing. Such request shall specify the grounds upon which the hearing is requested, as set forth in paragraphs (1) and (2) of this subsection. If the probationer does not request a hearing in the manner prescribed by this section within the period allowed, the probationer shall be deemed to have waived his/her right on such hearing.

(d) The City Manager shall conduct hearings requested pursuant to this section. If the hearing has been requested pursuant to (c) (2), the probationer shall have the burden of

proof that the rejection was effectuated upon an invalid basis. At the conclusion of such hearing, the City Manager may sustain the rejection, reinstate the probationer to probationary status if the probationary period has been completed, or reinstate the probationer to probationary status and extend the probationary period if otherwise permissible, if justified by the evidence presented at the hearing.

(e) If, prior to the hearing, the employee presents to the City Manager a written request that the City Manager disqualify himself/herself from conducting the hearing, the City Manager shall assign a designee having no supervisory control over the employee to conduct the hearing. At the conclusion of the hearing, the hearing officer shall recommend to the City Manager the disciplinary action to be taken, if any, and the City Manager shall make a determination and promptly notify the employee in writing of such decision.

Section 8.4 Rejection Following Promotion

Any employee rejected during the probationary period following a promotional appointment shall be reinstated to the position from which he/she was promoted, unless he/she is discharged for disciplinary reasons.

Section 9. Layoff and Reemployment

Section 9.1 Layoff

Whenever, in the judgment of the City Council, it becomes necessary to abolish positions, the City Council may abolish any position in this bargaining unit, and the employee holding such position or employment may be laid off without the right of appeal.

In reduction of force, employees with the least length of service in the classification affected shall be laid off first; provided, that any employee so laid off may elect to be reassigned to a classification with a lower salary scale held by an employee with less service with the City if (a) the senior employee has previously held a position within the classification; or (b) the classification to which the senior employee would be reassigned is within the same department and the senior employee is capable by training and experience of performing the work of the position to which he/she would be reassigned.

This section does not apply to the right of the City Manager to determine whether and when a vacancy shall be filled.

Section 10. Resignation and Reinstatement

Section 10.1 Resignation

An employee wishing to leave the competitive service in good standing shall file with the City Manager, at least 2 weeks before leaving the service, a written resignation stating the effective date and reasons for leaving. The resignation shall be forwarded to the City

Manager with a statement as to the resigned employee's service performance and other pertinent information concerning the cause of resignation. Failure of the resigning employee to give 2 weeks notice shall be entered on the service record of the employee and may be cause for denying future employment by the City.

Section 10.2 Reinstatement

A regular employee who has resigned in good standing may be reinstated to a vacant position of the same classification as the previous position within a period of 2 years from the effective date of resignation. Reinstatement shall be made at the salary step recommended by the City Manager.

Section 11. Demotion and Transfer

Section 11.1 Demotion

The City Manager may demote an employee whose performance of required duties falls below standard, or for disciplinary purposes. No employee shall be demoted to a position for which he/she does not possess the minimum qualifications. Three days written notice shall be given the employee before the effective date of the demotion.

Section 11.2 Transfer

An employee may be transferred from one position to another position in the same or comparable classifications upon direction of the City Manager after consultation with the employee. No employee shall be transferred to a position for which the employee is not qualified.

Section 12. Holidays

Section 12.1 Authorized Holidays

(a) The following are the City's observed holidays:

New Year's Day	Veterans Day
Martin Luther King Jr. Day	Thanksgiving Day
Presidents' Day	Day After Thanksgiving
Memorial Day	Day Before Christmas
Independence Day	Christmas Day
Labor Day	

(b) If a holiday falls on a Sunday, such holiday shall be observed on the Monday following. If a holiday falls on a Saturday, such holiday shall be observed on the Friday before such Saturday.

(c) The following special rules shall apply to observance of Day Before Christmas:

<u>If Christmas Day falls on:</u>	<u>Day Before Christmas is observed on:</u>
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Monday	Tuesday following
Tuesday	Monday before
Wednesday	Tuesday before
Thursday	Friday after
Friday	Thursday before
Saturday	Thursday before
Sunday	Friday before

Section 12.2 Personal Leave Bank

Each employee of this bargaining unit shall have a Personal Leave Bank. The bank shall be maintained by the Finance Department and reported to the employee by means of a payroll stub entry. Historical note: Personal Leave Bank has previously been called Holiday Leave Bank.

New employees shall begin with a balance of zero (0). Each year on the employee's birthday, the employee's leave bank shall be credited with eight (8) hours of personal leave. The leave bank shall also be credited with eight (8) hours of leave each year on February 12 and September 9, in recognition of prior holidays for Lincoln's Birthday and Admission Day, respectively. Similarly, on Good Friday each year, the employee's leave bank shall be credited with four (4) hours of leave.

An employee desiring to take personal leave must make such request in writing to the City Manager or Assistant City Manager at least seven (7) days prior to the proposed leave, unless otherwise agreed to by the City. Approval of such time off shall be subject to the operating requirements of the department in which the employee works.

Section 12.3 Holiday During Vacation

In the event any of the holidays specified in subsection 12.1 occurs while an employee is on vacation, the holiday shall not be charged to vacation.

Section 13. Leaves

Section 13.1 Sick Leave

(a) Purpose. Sick leave shall not be considered a privilege, which an employee may use at his or her discretion, but shall be allowed in case of necessity and actual sickness or disability, except as provided in paragraphs (4) and (5) of subsection (b). In addition, sick leave may be used by an employee, subject to the limiting conditions for Bereavement Leave (Section 13.4) upon the death of an aunt, uncle, nephew, niece, great-

grandchild or great-grandparent.

(b) Rate and conditions of accrual and utilization of sick leave.

(1) There shall be no limitation on the amount of sick leave the employees of this bargaining unit may accumulate.

(2) Sick leave, vacation leave, and holiday leave shall not accrue when the employee is on leave without pay. When the employee is on leave for a period of thirty or more consecutive calendar days due to sickness or disability, sick leave shall not accrue.

(3) Employees of this bargaining unit shall be eligible to utilize sick leave upon accrual.

(4) In the event sick leave is taken by an employee instead of a leave of absence for industrial disability granted by state law where there is a bona fide dispute as to whether the disability is industrial, and such dispute is resolved in favor of the employee, any sick leave which was erroneously deducted from the employee's accumulated sick leave shall be restored to the employee.

(5) Procedure. In order to receive compensation while absent on sick leave, the employee shall notify his/her immediate superior or his/her department prior to the starting time, or as soon as City offices are open, if reasonably possible. If an employee becomes ill while away from his/her residence, he/she shall notify his/her supervisor of his/her location, including address and telephone number.

(6) Signed statement. When an employee has been absent on sick leave, upon his/her return he/she shall submit to his/her department head a personally signed statement indicating the nature of the illness, injury, or disability. Such statement shall be on a form prescribed by the City for such purpose.

(7) Medical certificate. When an employee returns after an absence on sick leave for any amount of time, the City Manager may require the employee to submit a certificate signed by a licensed physician indicating the nature of the illness, injury, or disability, in addition to the signed statement required pursuant to paragraph (6). The City agrees to pay for the cost of obtaining said certificate to the extent that the employee's health insurance does not do so. The employee shall make every effort to take advantage of available insurance coverage.

(8) Availability for notification.

(a) An employee who is absent on sick leave is expected to be available to answer telephone calls related to the illness, injury, disability, or work-related matters. No employee shall refuse to answer a telephone call from a supervisory employee for that purpose.

(b) If the employee has previously been counseled or warned in writing by the City Manager regarding abuse of sick leave, he/she shall be available to receive visits from his/her supervisor related to the illness, injury, disability, or work-related matters. No such employee shall refuse to receive a visit from a supervisory employee for such purposes.

(9) Suspension of sick leave. When, in the sole opinion of the City Council, a job action exists, it shall have the authority to suspend the use of sick leave benefits for the duration of the job action, retroactive to the beginning of such job action. The City Manager may, at his/her sole discretion, grant exceptions for employees he/she believes to have been ill or injured prior to the job action. As used herein, "job action" includes, but is not limited to, any strike, slowdown, stoppage of work, curtailment of production, concerted refusal of overtime work, refusal to operate designated equipment, or to perform customary duties due to any labor dispute, or any concerted refusal to appear at any assigned work station because of claimed or asserted sicknesses or disabilities.

(10) Sick leave on holidays. If an employee is absent on paid sick leave and a holiday occurs during such absence, the day shall be treated as a holiday taken and such pay shall not be charged against the employee's sick leave credit.

(11) Sick leave pay on termination. In the event an employee's employment with the City is terminated as a result of retirement, death or abolition of position, the following amount of unused sick leave shall be paid on termination of employment.

(a) Employees who have completed twenty (20) or more years of City service as a full-time employee: fifty percent (50%) of unused sick leave, or eight hundred (800) hours, whichever is less;

(b) Other employees: fifty per cent (50%) of unused sick leave, or six hundred (600) hours, whichever is less.

(12) Family sick leave. Upon the approval of the City Manager or Assistant City Manager, an employee may use up to a maximum of thirty-two (32) hours of paid sick leave each calendar year, when illness of a person of the employee's immediate household, or immediate family as defined in Section 13.4(b) Bereavement Leave, normally residing within the employee's immediate household, or when the illness of the employee's husband, wife, son, daughter, mother or father, not normally residing within the employee's immediate household, requires the employee to take care of such sick person.

Section 13.2 Maternity Leave

(a) Eligible employees. A female employee in a classification represented by the bargaining unit who is unable to perform the essential functions of her job due to pregnancy, childbirth, or related medical conditions shall be entitled to maternity leave of absence as provided in this section, and shall be entitled to return to her position at the conclusion of such leave, except where cause for dismissal from employment is present pursuant to this section.

(b) Prerequisite to use of maternity leave. To be eligible for maternity leave of absence, the employee shall, prior to commencement of such leave, present to her department head a certificate from a licensed physician verifying that the employee is or will be unable to perform the essential functions of her job due to pregnancy, childbirth or related conditions. The City Manager may require subsequent certificates certifying such disability each week as a prerequisite to continued use of maternity leave. In conjunction with the initial certificate, the employee shall present to the department head a written statement as to the period of time during which she anticipates that she will be absent from work, whether she anticipates that she will return to work, and, if so, when. If there is a change in the facts presented in such written statement, the employee shall present a revised statement to the department head.

(c) Maximum leave period. Maternity leave shall not be granted for a period greater than four calendar months for any pregnancy; provided, however, that the City Manager may, at his/her discretion, grant an additional leave of absence without pay under other applicable provisions of this Memorandum of Understanding.

(d) Compensation. Maternity leave shall be granted without salary or benefits to the employee, except as follows:

(1) Vacation time; compensatory time off; etc. The employee shall be entitled to use accrued vacation leave, compensatory time off, and holiday leave, with applicable salary and benefits, at her option, during the maternity leave period.

(2) Sick leave. The employee shall be entitled to use accumulated sick leave in case of necessity and actual sickness or disability during the maternity leave period, to a maximum of 240 hours, or 6 weeks, whichever is less. The use of sick leave shall be subject to all applicable provisions of this Memorandum of Understanding governing use of sick leave. Sick leave used prior to the actual maternity leave period but for the purpose of a maternity-related illness shall be counted toward the 240-hour maximum.

(e) Medical benefits. Employees on maternity leave without pay shall be entitled to continue their coverage under health plans for hospital-medical-surgical benefits upon payment of the entire premiums due for such plan or plans.

(f) Return to work. The failure of an employee to return to work from maternity leave of absence, in accordance with the most recent statement filed pursuant to paragraph (b), or within 4 months from the commencement of the maternity leave period, where no other type of leave is authorized, shall be cause for dismissal from employment.

(g) Failure to comply with provisions of this section. The failure of an employee to perform any obligations imposed by this section pertaining to maternity leave shall be cause for dismissal from employment.

Section 13.3 Leave of Absence

(a) The City Manager may grant a regular employee a leave of absence without pay or benefits not to exceed 1 year. A request for such leave shall be in writing and shall be approved or denied by the City Manager in writing.

(b) The City Manager may terminate such leave of absence prior to the scheduled expiration of the leave upon notice to return to duty if he/she determines that the circumstances justifying the leave do not exist or if the needs of the City justify termination of the leave.

(c) Upon expiration of a regularly approved leave, or within a reasonable period of time after notice to return to duty, the employee shall be reinstated in the position held at the time leave was granted. Failure on the part of an employee on leave to report promptly at its expiration, or within a reasonable time after notice to return to duty, shall be cause for discharge.

Section 13.4 Bereavement Leave

(a) In the event of the death in the immediate family of an employee, the employee shall, upon written request, be granted such time off, with pay, as is necessary to make arrangements for the funeral and attend same, not to exceed three regularly scheduled work days. This provision shall not apply if the death occurs while the employee is on leave of any kind other than vacation or compensatory time off. Only in the event that the funeral takes place at a location more than 150 miles away from the City of San Bruno will reasonable time off for travel be allowed, not to exceed one regularly scheduled work day.

(b) For the purpose of this provision, the immediate family shall be restricted to father, mother, brother, sister, spouse, child, mother-in-law, father-in-law, grandparents, grandchildren, stepchildren, and foster children.

(c) Funeral leave applies only in the instance in which the employee attends the funeral, or is required to make funeral arrangements, but is not applicable for any other purpose, such as settling the estate of the deceased. The City Manager may grant bereavement leave for deaths of other persons if he/she determines that special circumstances are applicable.

Section 13.5 Management Leave

(a) The following positions are classes where compensation is on the basis of responsibility carried rather than the time spent on the job. Since these employees are not eligible for overtime compensation, Management Leave as enumerated below is authorized for each fiscal year. No compensation shall be due to the employee for Management Leave should the employee leave the service of the City or be terminated.

Classification

Hours (Annual)

Public Works Director	100
Chief of Police	100
Fire Chief	100
Community Development Director	100
Finance Director	100
Recreation Services Director	100
Library Services Director	100
Cable TV Director	100

(b) Accrual over above-stated limit. Unit members are eligible for consideration of additional hours of Management Leave up to a total of 120 hours per year based on demonstrated work performance. A determination that an employee is eligible to receive additional hours, up to 20 hours, shall be made by the City Manager. The approval of the City Manager shall be final and not subject to the grievance procedure.

(c) Maximum Accumulation. Employees accruing management leave may accumulate up to a maximum of twice the employee's annual accrual rate. Employees who accrue above this maximum must take the excess leave within 30 days after exceeding the accrual.

(d) Annual Buyout Option. The City will allow an employee to buy out any management leave hours on a once-per-year basis; such credits will be paid in the first pay period of December. Credits available for buy-out will be those accumulated as of November 20.

Section 13.6 Vacation

Employees in classifications set forth in salary plan shall accrue vacation at the following rate:

<u>Years of Service</u>	<u>Hours of Accrual (Biweekly)</u>
0 - 5 years	3.078 hours
6 - 10 years	4.615 hours
11th year	4.925 hours
12th year	5.229 hours
13th year	5.538 hours
14th year	5.848 hours
15th year	6.152 hours
16-20 years	6.460 hours
21-24 years	6.770 hours
25th year or more	7.080 hours

(a) The maximum accumulation of vacation shall be 280 hours, except as otherwise provided in this section.

(b) All employees covered under this Memorandum of Understanding may accumulate up to 320 hours of vacation entitlement once every five (5) years, for a specific event and with prior approval of the City Manager.

(c) It is the responsibility of the employee to make sure that his or her maximum accumulation is not exceeded.

(d) The City Manager may require an employee to use a maximum of 80 hours vacation leave in a calendar year to the extent such vacation leave has been accumulated, and to the extent that such employee has not taken at least 60 hours of vacation leave, or administrative leave when combined with vacation leave within the previous 12 months.

(e) The City Manager reserves the right to consider prior work service in setting the accrual rate for newly hired department heads.

Section 13.7 Military Leave

Military leave shall be granted in accordance with the provisions of federal and state law.

Section 13.8 Industrial Disability Leave

(a) Public safety personnel. Section 4850 of the Labor Code as presently constituted or subsequently amended shall govern industrial disability leave for personnel in the police and fire departments.

(b) Other personnel. Except for employees covered under subsection (a), any regular employee of the City who has suffered any disability arising out of or in the course of employment, as defined by the workers' compensation laws of the State of California, shall be entitled to disability leave while so disabled without loss of compensation for the period of such disability to a maximum of 60 days. Such disability leave with pay may be extended by the City Manager not to exceed one year. The City Manager may call for medical examinations as frequently as he/she deems necessary to confirm the continuing disability. A physician selected by the City shall perform the examinations. The City may terminate industrial disability leave if a disability retirement is initiated.

Section 13.9 Jury Duty Leave; Leave for Court Appearances

(a) Any employee who is called to serve as a trial juror shall be entitled to absent himself/herself from his/her duties during the period of such service or while necessarily being present in court as a result of such call. Under such circumstances, the employee shall be paid the difference between his/her full salary and any payment received by him/her, except travel pay, for such duty.

(b) When, in the opinion of the department head, or of the City Manager where the employee is a department head, an employee's absence from duty would pose an undue

burden or hardship upon the efficient operation of the department, the department head or the City Manager may request relief from the appropriate agency for the employee serving as a juror.

(c) An employee who has been subpoenaed as a witness in his/her official City capacity shall be paid his/her regular salary, less any witness fee received.

Section 14. Health and Welfare

Section 14.1 Health and Welfare Trust Fund

For purposes of providing health and welfare benefits for employees subject to this MOU, the City shall contribute an agreed-upon amount to the "Teamsters Local Union No. 856 Health and Welfare Fund" on a monthly basis on behalf of each eligible employee for actual costs incurred by such Fund to provide and maintain at existing levels of coverage hospital, medical, dental care, prescription drugs, vision care, and retiree health benefits.

(a) Effective 11/1/01, the City will contribute up to \$616.00 per month per employee toward Health and Welfare coverage, upon receipt of documentation of cost increases from the Teamsters Health and Welfare Trust Fund.

(b) Effective 11/1/02, the City's monthly contribution may increase by up to four percent (4%) upon receipt of documentation of cost increases.

(c) Effective 11/1/03, the City's monthly contribution may increase by up to four percent (4%) upon receipt of documentation of cost increases, including the additional years of 2004 and 2005 for the two-year contract extension provided for by Resolution 2002-55.

(d) In recognition that the current contribution rate for health & welfare premiums is \$38.00 lower than the projected \$616.00 rate level for year 2001, the City agrees to allow this \$38.00 carryover credit balance to be used to offset future premium increases which may exceed the identified annual 4% adjustments. This continues the process of providing for a carryover credit when actual costs required by the Fund do not exceed the agreed-upon maximum contribution rate. As an illustration, the maximum rate allowed for November 1, 2002, is \$640.64. If the rate requested with documentation called for a rate of \$652.50, utilizing the carryover credit balance fund of \$38.00 would cover the \$11.86 above the agreed-upon maximum. In this illustration, use of the \$11.86 credit would reduce the \$38.00 carryover credit balance to \$26.14 over the remainder of the term of the MOU.

Teamsters Health & Welfare contribution adjustments shall continue to be made annually as of the first of November 2001, 2002, 2003, 2004, and 2005 respectively. The Union shall submit a request for contributions up to the maximum allowable amount by October 1 annually of each year. Such request shall be supported by evidence of Trust Fund documentation reflecting actual increased costs. No other adjustments shall be permitted during the term of MOU.

Should the monthly contribution amount exceed the four percent (4%) level of the applicable carryover amount and upon written request of the bargaining unit, the City agrees to meet and confer as to the allocation of any increased cost in excess of the agreed-upon rate paid by the City. Cost allocation could be, but is not limited to, employer paying increased benefit amount, benefit restructuring, shared cost by employee, employee payroll deduction, salary deferral, or other such options mutually agreed upon at that time. The City shall consider all relevant plan experience when reviewing requested rate increases by the Fund for the prior year's adjustments. Supporting documentation relevant to the costs incurred by the Fund as it relates to provision of benefits for eligible employees shall be provided prior to the obligation to meet and confer on this issue.

(e) An eligible employee with respect to whom monthly contributions are required shall mean any employee on the payroll on the first day of any calendar month who has been on the payroll of the City eighty (80) hours or more during the preceding calendar month. Said contribution shall institute full compliance with and full performance of all obligations of the City to provide health and welfare benefits for its employees.

(f) During the term of this MOU, the parties herein reserve the right to request the other party to meet and confer on the subject of this section for the purpose of reviewing and considering a competitive proposal from the requesting party for the obtaining of equal or comparable health and welfare benefits for covered employees at no additional or less cost to the City.

Section 14.2 Health Insurance After Retirement From City

(1) That all members of this bargaining unit retain Teamster Health and Welfare retiree benefits provided by the Teamsters Health and Welfare Trust Fund to retirees, in an amount and at whatever levels set by the Trust for as long as provided by the Trust to the retirees (e.g., not subject to the age or income exclusion of this proposed section). The provisions of this section do not bind, modify or amend any conditions of the Teamsters Local 856 Health and Welfare Trust Fund.

(2) That members of this bargaining unit who retire as members of this bargaining unit:

- (a) have at least 10 years service with the City of San Bruno; and
- (b) retire at age 50 or older if they are public safety employees, or at age 55 or older if they are other than public safety employees; and
- (c) such retired employees have not received a disability retirement; and
- (d) such employees retire from service and are qualified for retirement benefits under PERS; and
- (e) such employees were members of this bargaining unit on or before February 1, 1990, or employees of the City of San Bruno on or before February

1, 1990, and were promoted into this bargaining unit after February 1, 1990; are further qualified to those additional retiree benefits itemized below.

(3) Such qualified retirees and qualified dependents will be entitled to reimbursement for Teamsters Health and Welfare retiree benefit "co-payments" from the City, and related dental costs, prescription drug costs and vision care costs, to be paid back to the retiree semi-annually after such payments have been made by the retiree.

(4) The monthly amount paid by the City to the Trust for active employees (or equivalent) shall be credited in advance to the individual retiree's account on February of each year in an amount equal to the anticipated upcoming 12 monthly payments to the Trust (or equivalent) for active members of this bargaining unit.

(a) The individual retiree will be permitted to accumulate an account available for qualified co-payments and dental/prescription/vision costs, but such accumulated account cap will not be greater than an amount equal to two (2) years contributions by the City on behalf of active employees (e.g., the current year, and the year immediately prior).

Example: On February of 1992, unexpended contributions for year 1990 will be deleted, and the remaining unexpended contributions for year 1991 will be added to the expected contributions for 1992 to reach the accumulation cap.

(b) Such amounts shall be available to reimburse employees, spouse or dependents for retiree co-payments, dental costs, prescription drug costs, or vision care costs that are submitted semi-annually (May and November) by verified billings or invoices that have been billed to the retiree and paid by the retiree during that prior twelve-month period, and thereafter presented to the City for reimbursement no later than 30 days prior to the first day of either May or November. Bills submitted later than thirty days (30) prior may not be reimbursed until the following reimbursement date.

(c) Qualified dependents shall be defined as a spouse or dependents living with the retiree (as "dependents" are defined for federal income tax purposes).

(d) Retirees, spouse or their qualified dependents may not seek reimbursement for medical, dental or vision billings that may be or have been paid for by other health, dental or vision plans available to the retiree, spouse or dependant. Partial payments by other health plans may, however, be submitted for reimbursement of the unpaid portion, as long as submitted within the limitations set out above.

(e) Each such retiree shall be limited to his or her accumulated amount, and no such retiree may deplete another retiree's accumulation.

(5) The City's co-payment and/or reimbursement offer to qualified retirees specified in paragraphs (3) and (4) above shall terminate upon each and any of the following events:

- (a) Upon the retiree's death.
- (b) Upon the retiree returning to employment with the City of San Bruno and qualifying for employee health and welfare benefits.
- (c) Upon the retiree reaching age 65.
- (d) Upon the retiree earning in excess of \$30,000 in any calendar year, as verified on employees federal income tax form "wages, salary and tips" (excluding spouse's income, if any) subject to request for verification by City. The identified amount shall be adjusted annually by the CPI for SF/SJ "W" index using the December month index annually.

It shall be the responsibility of the retiree to annually supply the City, prior to April 30, a copy of his/her federal income tax return as verification that the earning limit has not been exceeded. Failure to provide the tax return may be cause to terminate these additional retiree benefits.

Termination of the co-payment or reimbursement by reason of any of the conditions listed above becomes effective upon the date of the disqualifying event, and all such co-payments or billings incurred prior to that date will be reimbursed by the City pursuant to the agreement; and no such reimbursements shall be made by the City to the retiree from the date of disqualification. Disqualification based upon a single year's income also disqualifies the retiree for reimbursements for every year after the date of disqualification.

(6) Benefits under this provision shall begin on February 1, 1990, and there shall be no provision for the payment of benefits under this provision for any date or billings prior to February 1, 1990.

Section 14.3 Life Insurance

(a) The City shall provide, at its expense, a term life insurance group policy for each member of the bargaining unit in an amount equal to the employee's annual base salary. Income tax consequences, in conformance with IRS regulations, will be the responsibility of the employee.

(b) Said employees shall be entitled to purchase at their own expense unlimited additional term life insurance from the carrier providing the above-mentioned policy at no cost to the City under such terms and conditions as are customarily imposed by such carrier in its normal course of business.

Section 14.4 Retirement

(a) Miscellaneous Employees:

(1) The retirement contract in effect between the City of San Bruno and the Public Employees Retirement System (PERS) shall be 2% at 55 for all eligible miscellaneous employees. Final compensation for purposes of calculating retirement benefits shall be based upon the "highest" year method under the Public Employees Retirement System (PERS).

(2) The retirement contract in effect between the City of San Bruno and the Public Employees Retirement System (PERS) shall be 2.7% at 55 for all eligible miscellaneous employees. Final compensation for purposes of calculating retirement benefits shall be based upon the "highest" year method under the Public Employees Retirement System (PERS). Target date for effective date for this change is February 2003 or as soon as practicable in accordance with PERS processing requirements after City Council ratification and all affected bargaining units ratification of this tentative agreement, and an affirmative PERS Miscellaneous Employee vote on the change.

The City's current normal contribution rate for the "2% at 55" retirement program is 6.251%. The City agrees to increase that amount (6.251%) by an additional 1.749% to a maximum of 8%. The 8% is the maximum amount the City will contribute towards the 2.7% at 55 retirement program. When and if the agency contribution rate exceeds the rate of 8.0%, a commitment is made that the bargaining unit and City shall meet and confer as to the allocation of any increased cost in excess of the 8.0% rate paid by the City. Cost allocation could be, but is not limited to, employee payroll deduction, salary deferral, or other such options agreed upon at that time.

If, during the term of this agreement, new PERS retirement benefits should become available for this bargaining unit, and if other bargaining units affected by those benefits have the option to reopen negotiations on the issue of retirement benefits, this bargaining unit shall have the right to ask the City to reopen negotiations on the issue of retirement benefits. It is understood that such re-opener may allow the City to modify other economic benefits contained in this agreement to provide improved retirement benefits.

(b) Sworn Public Safety Employees:

(1) Employees in sworn public safety classifications shall continue to be covered by the PERS two percent (2%) at age fifty (50) retirement benefit option. Final compensation for purposes of calculating retirement benefits shall be based upon the "highest" year method under the Public Employees Retirement System (PERS).

(2) The City agrees to implement the PERS three percent (3%) at age fifty (50) retirement benefit option with a planned date for implementation of July 1, 2001. The bargaining unit recognizes that implementation of this retirement option will require concurrence and agreement with the San Bruno Police Association and the San Bruno Fire Association.

(3) The City agrees to provide the 3% at age 50 retirement program option with a planned implementation date of July 2001 with the understanding that the

City's cost exposure is neutral and therefore the City agrees to pay up to 11.254% of the agency contribution cost for this program. This commitment is made with the understanding that the bargaining unit and City shall meet and confer as to the allocation of any increased cost in excess of the 11.254% paid by the City. Cost allocation could be, but is not limited to, employee payroll deduction, salary deferral, or other such options agreed upon at that time.

(4) Implementation of the 3% at age 50 retirement option shall be considered an amendment to the existing retirement contract.

Section 14.5 1959 Survivor's Benefits and Long-Term Disability

The City shall continue in effect as an employer-paid employee benefit:

(a) The current PERS retirement plan option relating to 1959 Survivor's Benefits [Level IV], and:

(b) The Long-Term Disability Program described in Resolution No. 1980-85 Adopting and Approving a Long-Term Disability Program.

Historical Note: Change in 1959 Survivor's Benefit Level

The City agreed to modify the PERS contract to offer Level IV 1959 Survivor's Benefits for local safety members in July 1998. It was understood that there is an increased cost to both the employer (agency) and member (employee) rate. The bargaining unit agreed that all employees in the bargaining unit shall be responsible, through payroll deduction, for paying both the appropriate member (employee) rate for this program and any employer contribution which exceeds \$2.50 per month. As of this date, current employee cost is projected to be \$2.00 per month and current employer cost is projected to be \$8.50 per month, resulting in an individual employee payroll deduction of \$8.00 per month. These costs may change by implementation date and the then-current costs shall be used to determine the accurate employee payroll deduction amount.

Section 14.6 Deferred Compensation

If employees in other bargaining units are offered deferred compensation plans other than that which the employees in this bargaining unit have previously been offered, the employees in this bargaining unit shall also be allowed to participate in any such additional plans. The City shall offer at least two (2) deferred compensation 457 programs.

(a) Meet and confer with the bargaining unit, upon their request, should the Internal Revenue Code be amended so as to adversely impact the intended purpose of the adopted deferred compensation program.

Section 15. Educational Reimbursement Plan

(a) City will pay the cost of books and tuition at accredited public institutions. If the course is at a private institution, the approval of the City Manager or Assistant City Manager is required, and the City reserves the right to pay only a portion of the tuition. The institution may be located in any one of the nine Bay Area counties.

(b) The courses of instruction taken by the employee must be job-related, and the employee must have obtained the prior approval of the City Manager or Assistant City Manager, if appropriate, prior to taking the course in order to be entitled to reimbursement.

(c) The employee must receive a passing grade in order to receive reimbursement.

(d) Reimbursement will be made upon submission to the City of written evidence that the employee obtained a passing grade in the approved course.

Section 15.1 Service Club Membership

The City finds that voluntary, off-duty, active and regular participation by members of this bargaining unit in a regularly meeting, locally chartered, formally organized, and nationally recognized non-profit service club (i.e., Lions, Kiwanis, Rotary, Soroptomists, or other similar organizations approved by the City Manager or the City Council) to be of community-wide benefit. The City will contribute to the voluntary participation by members of this bargaining unit, a share of the cost to include dues, fees, assessments or such similar charges related to participation in a service club, by making such payments, upon request by the employee during the month of July of each year, for completed active and regular participation during the previous period of July 1 through June 30, in the amount of six hundred dollars (\$600), or the prorated monthly equivalent thereof. This amount shall be adjusted by the CPI annually each July.

Section 15.2 Employee Personal and Professional Development Account

Beginning 7/1/01, the City will reimburse employees of this bargaining unit up to \$1,000 per fiscal year for employee-incurred expenses in the areas of professional reference materials, outside training materials, extra coursework, additional professional organization memberships, wellness and physical fitness activities, and equipment and supplies related to the employee's maintenance of a home office. Reimbursement will be subject to the approval of the City Manager or Assistant City Manager, which shall be final and not subject to the grievance procedure.

Section 15.3 Fitness Benefit

The City agrees to provide, as an employer-paid benefit, membership to the City's Recreation Center fitness facility for each member of the bargaining unit desiring the same.

Section 16 Uniform Allowance

The uniform allowance for the public safety members of this bargaining unit is the same as established for Police and Fire sworn members of the Public Safety Mid-Management bargaining unit.

Section 16.1 Motor Vehicle Allowance

(a) Non-safety members of this bargaining unit who through the budget process have a City motor vehicle assigned to them on an individual and full-time basis may opt for a motor vehicle allowance, pursuant to the terms of this section, as an alternative to the motor vehicle that is assigned.

(b) Safety members of this bargaining unit who have a City motor vehicle assigned to them on an individual and full-time basis, upon securing prior City approval, may opt for a motor vehicle allowance, pursuant to the terms of this section, as an alternative to the motor vehicle that is assigned.

(c) Those qualified members of this bargaining unit who exercise their option for a motor vehicle allowance must exercise that option, in writing, to the City Manager, and may not reverse such selection without the prior approval of the City Manager.

(d) Those members who do opt for a motor vehicle allowance must use it for a vehicle that is no older than seven (7) years old on any date during the term of this Memorandum of Understanding. It is further required that the vehicle must be kept in a clean and orderly appearance. The City Manager may allow an exception to the seven (7) year rule based upon the condition of the vehicle.

(e) The monthly allowance is as follows:

Effective March 2, 2001: \$250 per month. Each subsequent year, the base amount of the car allowance shall be adjusted as of February 1, by a Consumer Price Index adjustment (SF/SJ Index "W"). The most recent CPI index prior to February 1 but allowing for implementation on February 1 shall be used. This allowance is intended to recognize increased out of pocket costs to the employee in making their privately-owned vehicle for City-related business transportation needs.

In addition to the monthly allowance, mileage reimbursement shall be paid for the use of the privately-owned vehicle for City business (City business does not include commuting to and from work) at the City's established rate.

Section 16.2 State Disability Insurance As An Employee Paid Benefit

(a) Upon written request from the bargaining unit, and to the extent permitted by the State of California, the City agrees, as a "fully employee-paid" benefit and handled as an authorized employee payroll deduction, to enroll qualified employees subject to this Memorandum of Understanding into the State Disability Insurance (S.D.I.) program.

(b) To facilitate a coordination of benefits with regard to the use of authorized sick leave accruals used by an employee during such period(s) of time when such employee is drawing disability insurance benefits relating to paragraph (a) the City shall,

upon actual enrollment in the S.D.I. program, and after meeting and conferring with the bargaining unit, adopt a schedule of sick leave reinstatement for S.D.I. funds received from an employee.

(c) In no event shall an employee, during absence from work for an illness or disability where S.D.I. benefits are paid, earn an amount of compensation greater than the straight-time wages regularly payable if the employee had actually worked.

Section 17. OSHA

(a) OSHA Safety Equipment. City shall supply to each employee covered under this Memorandum of Understanding all safety equipment with OSHA or other state law required each said employee to have and use. Each employee covered by this Memorandum of Understanding shall use all City-supplied safety equipment as prescribed by the City and OSHA.

(b) OSHA Legal Representation. City shall provide legal representation to any employee covered under this Memorandum of Understanding cited for a violation of OSHA. Said representation will be provided by the City Attorney, but if he/she is unable to do so, by an attorney mutually acceptable to the City and the affected employee. Employees covered by this Memorandum of Understanding shall use their best efforts to comply with all OSHA requirements and shall insist that the City employees under their supervision will comply with OSHA requirements.

(c) Police Department employees shall receive the same issue of safety equipment as that received by safety employees in the Police bargaining unit, pursuant to Government Code Section 6401 and Government Code Section 5008.1. This provision shall apply to employees designated as peace officers as defined by Penal Code Section 830.1 (1981 Statutes).

Such safety equipment will remain as City property and shall be subject to such City adopted specifications and operating procedures as deemed necessary by the City.

The wearing of bullet-proof vests will be at the option of the employee, and the City shall not be responsible for death or injury attributable to the failure of wearing such vests, except as is presently provided by workers' compensation law.

Section 18. Discipline

(a) The City may discharge, suspend, reduce pay, or demote any employee who has completed the probationary period for cause. No employee shall be discharged,

suspended for a period of 30 days or longer, or be demoted unless a written warning and an opportunity to improve has been given, except that no written warning shall be required if the cause for disciplinary action is dishonesty, insubordination, use of excessive force or violence, use of illicit drugs, use of alcohol related to employment, or failure to perform as required.

(b) In cases where a written warning is required prior to disciplinary action, such action shall not necessarily have to be based upon the same type of misconduct as that which gave cause for the prior warning notice; provided, however, that in offenses requiring a written notice the matter of whether a prior offense was reasonably related or similar to the present offense shall be considered in evaluation of the appropriate degree of discipline.

Any disciplined employee shall be furnished with the reasons for such action in writing, with a copy of such letter furnished to the representative of the bargaining unit.

Section 19. Pre-Disciplinary Conferences

(a) No regular employee shall be demoted, suspended, reduced in pay, or discharged for a disciplinary purpose except in accordance with the provisions of this section; provided, however, that this section shall not apply to suspensions of less than 5 days.

(b) Whenever the City Manager proposes to demote, suspend, reduce in pay, or discharge a regular employee in a case in which this section is applicable, the City Manager shall conduct an informal conference at which the employee shall have the right to respond to the charges. The City Manager shall provide the employee with written notice of the conference not less than 5 days prior thereto. The notice shall state the nature of the proposed disciplinary action and the reasons therefore. The notice shall also include a copy of the charges and materials upon which the proposed action is based.

(c) At the conference, the employee shall have the right to present an oral or written response to the proposed action. Thereafter, the City Manager shall determine, based upon such response and the materials upon which the proposed action was based, whether to impose the action initially imposed, lesser action, or to take no action. The City Manager shall promptly notify the employee in writing of such decision.

(d) If, prior to the conference, the employee presents to the City Manager a written request that the City Manager disqualify himself/herself from conducting the conference, the City Manager shall assign a designee having no supervisory control over the employee to conduct the conference. At the conclusion of the conference, the conference officer shall recommend to the City Manager the disciplinary action to be taken, if any, and the City Manager shall determine the action to be taken and promptly notify the employee in writing of such decision.

Section 20. Suspension

Section 20.1 Suspensions Without Pay

An employee in a classification of employment set forth in salary plan hereto may be suspended without pay for a disciplinary purpose.

(a) The City Manager shall have the power to suspend a subordinate employee for an amount of time the City Manager deems appropriate.

Section 20.2 Administrative Leave

The City Manager shall have the power to place a subordinate employee on administrative leave with pay pending investigation of a matter in which an employee may be involved which may lead to disciplinary action against him/her, or pending consideration of possible disciplinary action against him/her, or where his/her continued presence would, in the judgment of the City Manager, jeopardize his/her health or safety or that of others. The City Manager shall have the power to rescind the action placing the employee on administrative leave with pay, extend the duration of the leave, or reduce the duration of the leave.

Section 21. Grievances

(a) Definition. A grievance shall be defined as any dispute which involves the interpretation or application of any provision of this Memorandum of Understanding during its term, excluding the following:

(1) All ordinances, resolutions, rules and regulations, the subject of which is not specifically covered by the provisions of this Memorandum of Understanding.

(2) Any disciplinary action taken against any employee within the bargaining unit, including, but not limited to, discharge, demotion, suspension, reduction in pay, and written reprimands, but specifically excluding oral reprimands.

(3) Any employee shall have thirty (30) days within which to file a written response to a written reprimand or warning notice. Such written response shall be attached to, and shall accompany the written reprimand or warning notice.

(b) Procedure. Grievances shall be processed in the following manner only:

(1) Initial presentation. The initial (first-level) presentation of a grievance shall be to the immediate supervisor of the employee claiming to have a grievance. The grievance may be either oral or in writing. If made in writing, the grievance shall comply with the requirement of subsection (c) for a formally presented grievance.

(2) Formal presentation. The formal presentation of a grievance shall be written and shall state which provision of this Memorandum of Understanding has been misapplied to his/her detriment, and shall indicate the redress sought. The individual

allegedly aggrieved shall sign the grievance. In the event that more than one individual is alleged to be aggrieved, the grievance may be signed by a duly authorized representative of the bargaining unit, in which case the grievance shall indicate the names of the person on whose behalf it is filed and shall state that the bargaining unit representative is authorized to file such grievance on behalf of such persons. In the event the person to whom the grievance is presented determines that the grievance is defective on its face, he/she shall reply in writing to the filer within 7 days after receiving the grievance, indicating in writing the specific defects. The reply shall specify that the grievant has 10 days to correct the defects or the grievance shall be deemed to be withdrawn. If the grievance is not corrected within said 10-day period, it shall be deemed to have been withdrawn.

(3) City Manager. A grievance which is not settled at the Assistant City Manager level may be appealed in writing to the City Manager within 10 days of the decision of the Assistant City Manager. Within 10 days after receipt of the appeal, the City Manager shall set a date, which is not more than 10 days from the date of receipt of the appeal, to meet with the grievant and with other appropriate persons to attempt to resolve the grievance. If a solution is not agreed upon, the City Manager shall render a decision within 10 days of the meeting.

(c) Time limits. Grievance shall be filed within 15 days of the incident or occurrence about which the employee claims to have a grievance.

(d) Representation. The grievant shall have the right at all steps of the grievance procedure to be represented by a person or organization of his/her own choosing.

(e) Effect of a grievance. The making or filing of a grievance shall not prevent the City or any authorized employee of the City from taking action deemed appropriate, nor shall it have the effect of suspending action previously taken even though the action may involve or be part of the subject matter of the grievance.

(f) Days. The time limits provided herein refer to calendar days.

(g) Waiver of time limits. The time limits provided herein may be waived by the mutual consent of the parties.

(h) Arbitrator determination. The decision of the City Manager may be appealed in writing for final determination by an arbitrator. The written notice of appeal must be filed with the City Manager within 10 days of the date of his/her written decision.

(i) Selection of arbitrator. Within 10 days after the filing of the appeal, the City Manager and the grievant shall meet or otherwise communicate to try to select a mutually acceptable arbitrator who agrees to serve. If the parties cannot agree, a list of 5 arbitrators will be obtained from the California State Conciliation Service, American Arbitration Association, or some other source mutually agreed upon. If the parties cannot agree on one of the names on the list, each party (beginning by lot) shall alternately strike 1 name from the list until 1 name remains, which shall be the arbitrator if he/she agrees to serve. If he/she will

not serve, the process shall be repeated until an arbitrator is found.

(j) Decision. The decision of the arbitrator shall be in writing and shall set forth the findings of fact and conclusions on the issues. It shall be submitted to the City Manager and the grievant and shall be final and binding upon the parties. The arbitrator shall avoid expanding or contracting the definition of grievance when arbitrability is at issue.

(k) Limitation. The authority of the arbitrator to render final and binding decisions on grievances extends only to those matters covered by this grievance and procedure and over which the City or a department head may legally delegate its decision-making process.

(1) Proposals to add to or change this Memorandum of Understanding or written agreements or addenda supplementary hereto shall not be arbitrable, nor shall any matter or subject arising out of or in connection with such proposal, nor any disciplinary action, as said term is used in subsection (a), be arbitrable.

(l) Costs. The fees of the arbitrator (including any per-diem expenses, travel and subsistence expenses), the cost of any hearing room, and the cost of preparing the transcript of the hearing, if any, for the arbitrator shall be borne one-half by the City and one-half by the grievant or the representative of the bargaining unit. All other costs shall be borne by the party incurring them.

(m) Payment of compensation. A dispute pertaining to payment of compensation shall not be deemed a grievance under this section unless the employee alleges that he/she is not being compensated in accordance with the provisions of this Memorandum of Understanding. Any other matter of compensation shall be resolved through the meeting and conferring process, and if it is not detailed in a Memorandum of Understanding resulting from the process, it shall be deemed withdrawn until the meeting and conferring process is next open for discussion.

(n) Changes in Memorandum of Understanding. No changes in this Memorandum of Understanding or interpretations thereof (except interpretations resulting from arbitration proceedings hereunder) will be recognized, unless agreed to by the City Manager and the bargaining unit representative.

Section 22. Loss of Driver's License

(a) An employee who does not have a driver's license in force and effect so as to be unable to operate a vehicle during the course of his/her duties for a period of less than 6 months may have his/her salary reduced by 10% during such period. If the lack of a valid driver's license significantly prevents the employee from performing a predominant amount of his/her duties, the City Manager may suspend the salary and benefits of the employee for the duration of the time that there is no license in effect.

(b) If the driver's license of an employee is suspended or revoked for a period of 6 months or more so as to prevent the employee from lawfully operating a vehicle during the

course of his/her duties, or if the employee fails to notify the City of any suspension or revocation or failure to renew his/her driver's license, regardless of duration, such shall be cause for dismissal. This does not limit the City from taking other disciplinary action if otherwise justified.

(c) If the loss of a driver's license is attributable to the use of alcohol or drugs, the employee shall agree to and shall faithfully participate in a counseling and rehabilitation program agreed to by the City to correct the problem if requested to do so by the City Manager. Failure to agree and failure to faithfully participate in the program shall be cause for dismissal.

Section 23. No Strike

(a) Participation in any job action by an employee of this bargaining unit pertaining to his/her employment with the City of San Bruno shall constitute an automatic resignation from the position, said position shall then be deemed for all purposes to be vacant.

Section 24. Carry Out of Assignments

Members of the bargaining unit shall carry out all proper instructions issued by the City Manager or Assistant City Manager regarding work assignments. If there are any complaints in regard to the work assignment, the employee may exercise his/her right to use the grievance procedure after the instruction has been carried out.

Section 25. Attendance

Failure on the part of an employee, absent without leave, to return to duty within 24 hours after notice to return shall be cause for immediate discharge, and such employee automatically waives all rights under the personnel ordinance, rules and regulations, and this Memorandum of Understanding. Notice shall consist of a letter by registered mail delivered to the last known address of the employee.

In evaluating whether to discharge an employee for failure to return to duty, the City Manager may consider whether there were extenuating circumstances, which prevented the employee from returning to duty within the time period, required.

Section 26. Past Practices and Existing Memorandum of Understanding

(a) Continuation of working conditions and practices not specifically provided herein or authorized by ordinance or resolution of the City Council shall not be guaranteed by this Memorandum of Understanding.

(b) This Memorandum of Understanding shall supersede all existing and prior Memoranda of Understanding between the City and the bargaining unit, personnel rules, regulations, resolutions, and ordinances.

(c) As to any subject matter which is not covered in this Memorandum of Understanding, the personnel rules and regulations, City ordinances, and City resolutions shall be applicable. Said documents shall not be deemed to be provisions of this Memorandum of Understanding or subject to the grievance procedure except where expressly so provided in Section 21.

Section 27. Negotiable Benefits

The inclusion of certain benefits in this Memorandum of Understanding shall not preclude the City and bargaining unit from meeting and conferring and agreement upon other or substituted benefits in subsequent Memoranda of Understanding.

Section 28. Separability of Provisions

Should any section, clause, or provision of this Memorandum of Understanding be declared illegal by final judgment of a court of competent jurisdiction, such invalidation of such section, clause or provisions shall not invalidate the remaining portions hereof, and such remaining portions shall remain in full force and effect for the duration of this Memorandum of Understanding.

In the event of such invalidation, the parties agree to meet and confer concerning substitute provisions for the provisions rendered or declared illegal.

Section 29. Enforcement of Rules

Failure to enforce a provision of this Memorandum of Understanding, City or departmental rule or policies does not prevent subsequent enforcement.

Section 30. Term

This Memorandum of Understanding shall remain in effect for those employees employed in this bargaining unit for the period from February 1, 2001, to January 31, 2005, and as extended to January 31, 2007, except to the extent that such Memorandum of Understanding may be modified by the parties during such period, and shall continue in full force and effect until either superseded by a subsequent Memorandum of Understanding or by such other action of the City Council affecting wages, hours, and conditions of employment of the employees in classifications covered by this Memorandum of Understanding.

This Memorandum of Understanding is a compilation of the previous Memorandum of Understanding, with modifications negotiated by and between the parties, and thereafter approved pursuant to San Bruno City Council Resolution 2001-22 and modified by City Council Resolution 2002-55.

Dated: _____

SAN BRUNO MANAGEMENT EMPLOYEES ASSOCIATION

by: _____
Terry Jackson, President

Dave Thomas, Cable Television Director

Jim O'Leary, Finance Director

Lee Violet, Chief of Police

CITY OF SAN BRUNO

by: _____
Frank Hedley, City Manager

Steven R. Rogers, Assistant City Manager